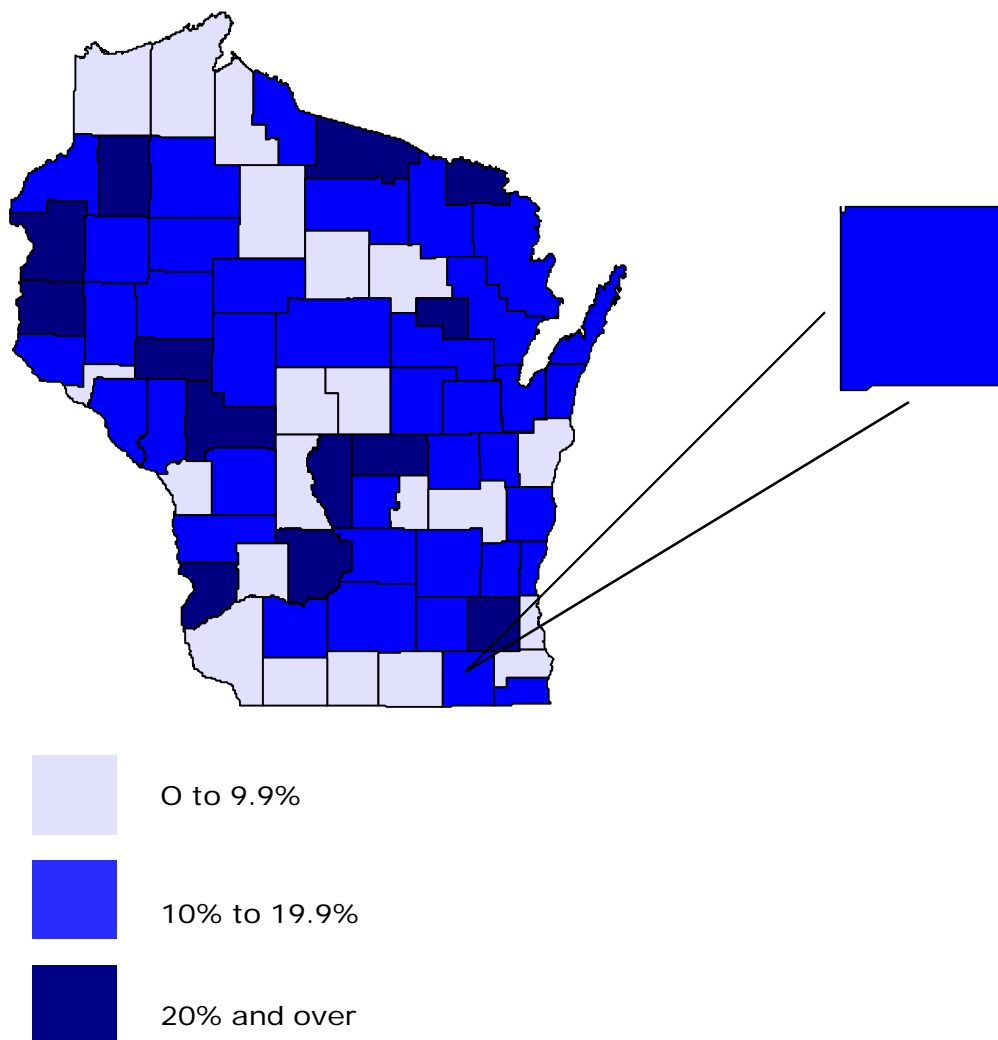


Walworth County Workforce Profile

Job Growth 1994 to 1999



Wisconsin Department of Workforce Development
Division of Workforce Solutions
Bureau of Workforce Information
October 2001



State of Wisconsin
Department of Workforce Development

Introduction

The County Workforce Profile has been developed by the Wisconsin Department of Workforce Development's (DWD) Bureau of Workforce Information (BWI) to provide a broad overview of Walworth County's labor market. The data included in this fourth year of publication is for 1999 to maintain consistency with the previous publications and to provide the user with a single year of reference in order to draw comparisons and form a picture of related labor force and employment information.

A variety of economic and demographic labor market information have been provided to describe the current labor market conditions in the counties and regions of Wisconsin. That information includes 1999 data on population, labor force, industries, employment, wages and income. The narrative describes how local conditions have changed over one-year and five-year intervals. Although population information is available from the 2000 census, it is not included in this publication since the period of time selected for all data sets is 1999. For more recent releases of information please consult the Wisconsin Department of Workforce Development Labor Market Information website: <http://www.dwd.state.wi.us/lmi>.

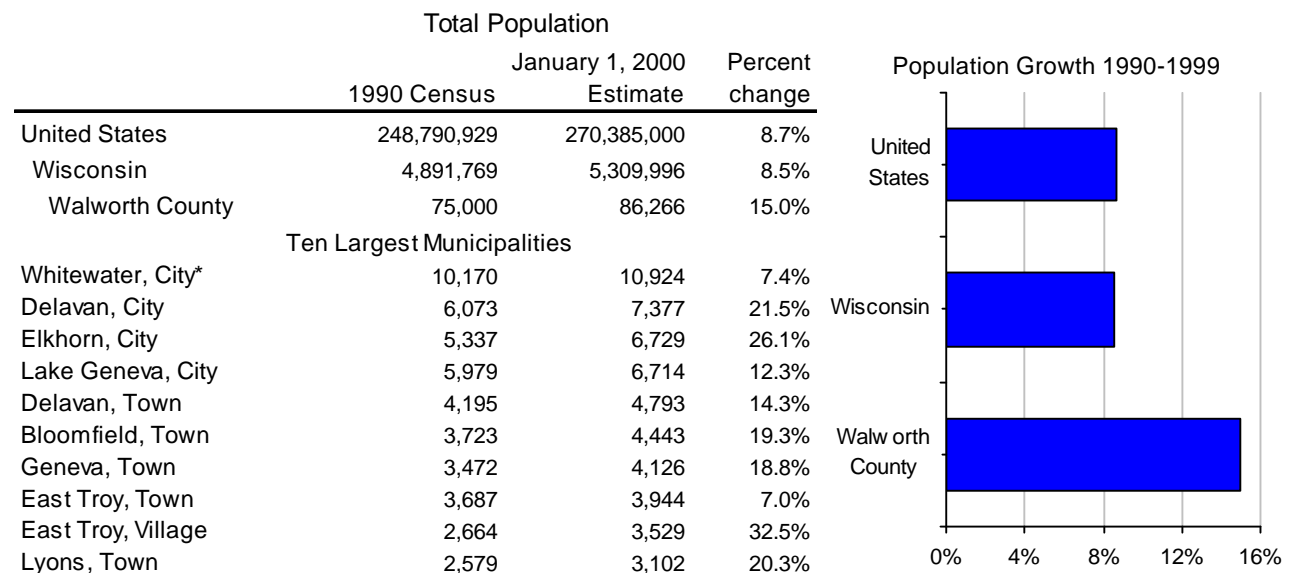
For more detailed information or clarification, please contact your local labor market analyst,
Eric Grosso, by telephone (608-266-7034) or email (grosser@dwd.state.wi.us).

DWD is an equal opportunity service provider. If you need assistance to access services or material in an alternate format, please contact the analyst listed above.

Walworth County Population and Civilian Labor Force

Walworth County's population grew fairly rapidly over the last nine years (15.0 percent) almost doubling the rate of growth of the state as a whole and the nation. Walworth is a lower-populated county given its geographic location in the state. It is sandwiched between four metropolitan statistical areas (MSA), namely the Janesville-Beloit MSA to its west and both the Kenosha MSA and Racine MSA to its east. The Milwaukee-Waukesha MSA borders the north making Walworth County a very unique locale in southeast Wisconsin.

Walworth's municipality growth has been very strong in the communities along Interstate 43 and Highway 12 and for good reason. Interstate 43 offers southwest access to Rock County and northeast access to the Milwaukee area. Former Kenosha and Racine County residents, along with migrants from Illinois, are now calling Walworth County home keeping their employment in their former counties and states or are setting up retirement homes in the Lake Geneva area. An outstanding fact about Walworth's growth is that it is estimated that 85 percent of its population growth came from people moving into the county.

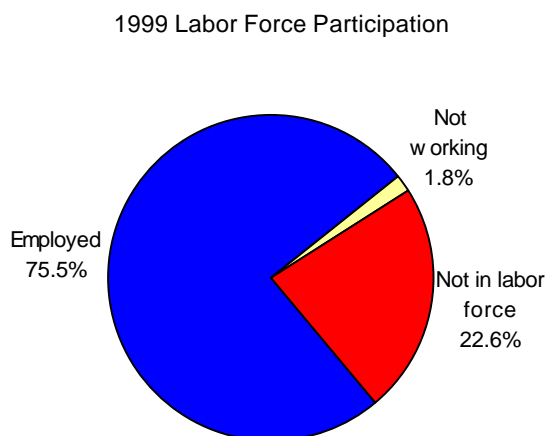


* Walworth County portion only

Source: WI Dept. of Admin., Demographic Services Center, *Official Population Estimates*, January 1, 2000

The labor force is the sum of those employed and unemployed *that have actively sought work in the last month*. **Labor Force-eligible must be 16 years or older and not a member of an institutional population** such as a prison or an armed forces member living on a military base. The term “unemployed” does not necessarily include all people who are not working. For example, those who are retired or choose not to work are not considered unemployed. The phrase “Not Working” in the graph below assumes unemployed for the purposes of this profile.

Walworth County's labor force has increased 25 percent since 1990 compared to its 15 percent growth in total population. This is very strong growth in both areas but it should be noted that most of the labor force growth took place in the early part of the decade as growth has only been 4.4 percent since 1994.



Labor force attachment can be quantified by an important measure known as the labor force participation rate (LFPR). The LFPR is the relationship of the labor force to the population that is labor force eligible. The pie chart to the left shows the 1999 LFPR of Walworth County is 77.3 percent (sum of employed and not working percentages in the pie chart to the immediate left). Walworth's LFPR is higher than the State of Wisconsin's rate of 72.3 percent and is significantly higher than the national rate of 67.1 percent. Walworth County ranks 12th highest in LFPR of the state's 72 counties. What does this tell the reader? Knowing that Wisconsin has a very high LFPR, nationally, Walworth County's workforce attachment is considerably high.

Source: Estimated from WI Dept of Administration population estimates, Jan 2000, US Census Bureau, and Local Area Unemployment Statistics

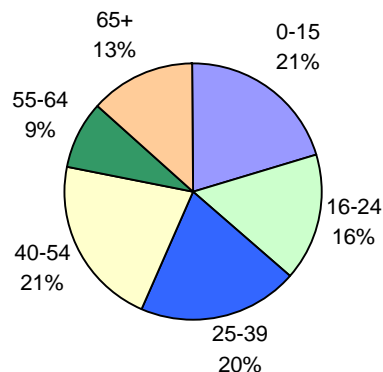
The civilian labor force table at the bottom of the page shows that the number of those employed living in Walworth County has steadily increased (4.8 percent) since 1994, while the number of unemployed has decreased faster (-15.1 percent) over the same time period.

This has brought about a decrease to an already very low unemployment rate of 2.9 percent in 1994, down to 2.4 percent in 1999.

Most counties in the state have seen increasing LFPR throughout the 1990s only to see them peak in 1997-98 and now slightly decline. The 1999 LFPR, 77.3 percent, decreased from the 1998 rate of 79.9 percent and will probably continue to decline. The labor force pie chart above shows fewer unemployed in 1999 than in

Walworth County Labor Force Age Population Distribution

Age Group	Population		Percent change
	1990 Census	1999 Estimate	
0-15	16,221	17,790	9.7%
16-24	12,133	13,524	11.5%
25-39	17,144	17,250	0.6%
40-54	12,469	18,739	50.3%
55-64	6,381	7,527	18.0%
65+	10,652	11,437	7.4%



Source: Estimated from WI Dept of Admin, Demographic Services Center, Official Population Projections 1990-2020 and US Census Bureau

Walworth County Civilian Labor Force Data

	1994	1995	1996	1997	1998	1999
Labor Force	49,800	50,800	52,700	52,000	52,100	52,000
Employed	48,400	49,500	51,300	50,400	50,800	50,700
Unemployed	1,460	1,310	1,360	1,600	1,360	1,240
Unemployment Rate	2.9%	2.6%	2.6%	3.1%	2.6%	2.4%

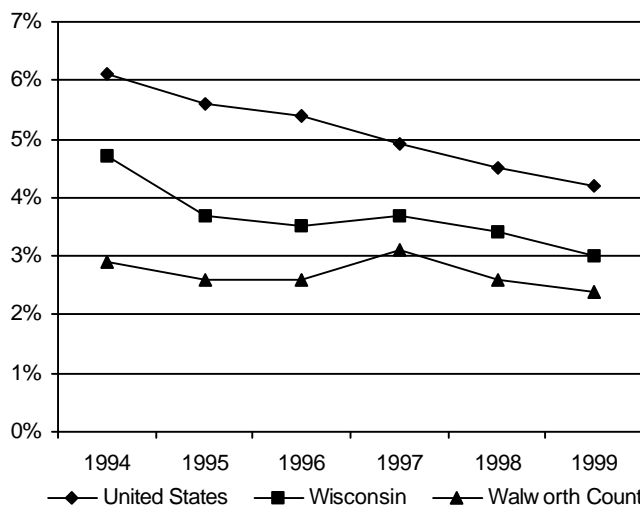
Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

1998, 1.8 percent vs. 2.1 percent in 1998. **(These are not unemployment rates. The unemployment rate is the number of unemployed divided by the labor force. Again, these “not working” figures are the number of unemployed divided by the total of those labor force eligible.)** More striking are two other figures: 1) The number of those employed has decreased from 77.8 percent to 75.5 percent and, 2) The number of those “not in the labor force” has increased from 20.1 percent in 1998 to 22.6 in 1999. The last two points are saying that people are leaving the labor force altogether.

Most of the LFPR decline has been due to the changing composition of Walworth’s population. The labor force exodus has been due to a pronounced number of established Walworth County residents who are older and have retired from careers and are no longer counted in the labor force. This is in conjunction with the migration of people into Walworth who have no intention of working because they are already retired. The population table on page 2 shows an extreme rise in the number of those in the 40 to 64 years of age groupings *without a corresponding increase in those in the younger age cohorts*. More of the population is labor force eligible but fewer are choosing to participate by choice.

Wisconsin and Walworth County exhibit a demographic imperative that weighs to the supply-side of the local economy. As more retire from careers, there will be fewer in the supply to replace them. At the same time, the aging of the population shifts the need for more resources into industries such as health care, financial services and transportation sectors. This is a prime example of present and impending labor shortage in the face of job growth, the types of jobs created and the demand for labor to fill these jobs.

Unemployment Rate Comparison



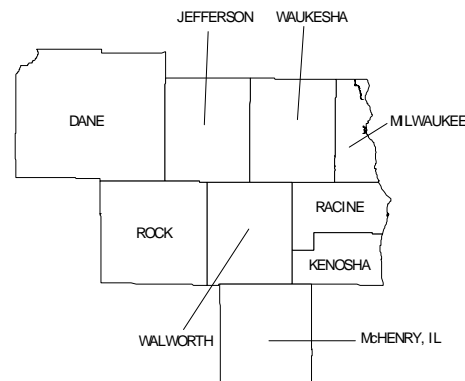
Source: WIDWD, Bureau of Workforce Information, Local Area Unemployment Statistics

Walworth County Commuting Patterns

	Commute Into	Commute From	Net Commute
Dane County	262	303	41
Illinois	3,428	786	-2,642
Jefferson County	657	1,456	799
Kenosha County	485	427	-58
Milwaukee County	1,701	352	-1,349
Racine County	1,488	1,056	-432
Rock County	896	1,800	904
Waukesha County	1,765	751	-1,014
Elsewhere	392	362	-30
Total	10,682	6,931	-3,751

Work within Walworth County 26,703

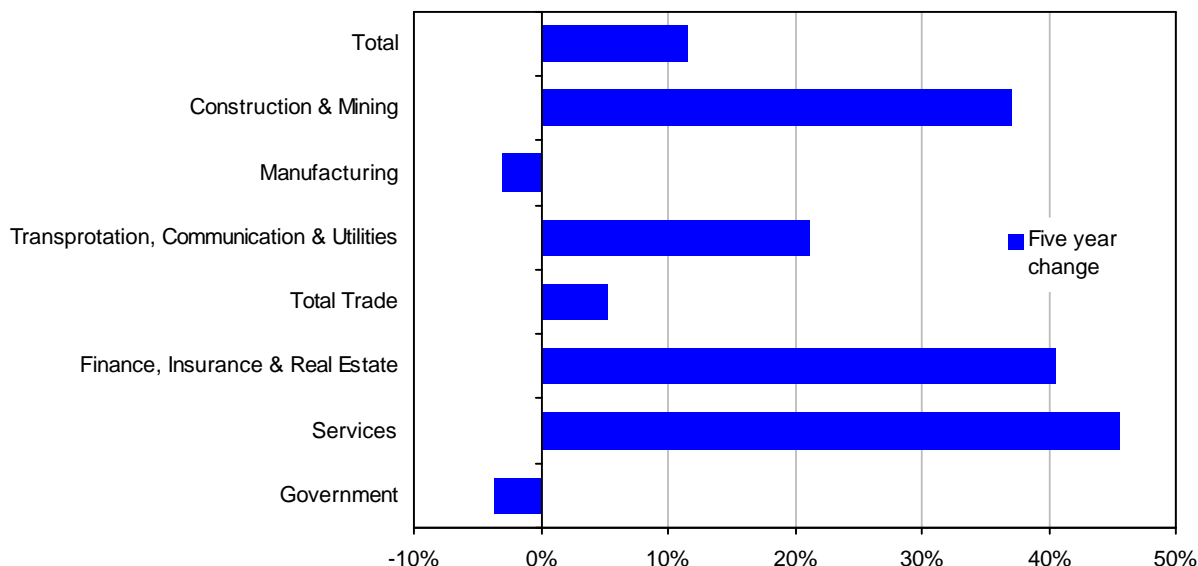
Source: WIDWD, Bureau of Workforce Information. Wisconsin's Commuting Patterns, 1994.



The number of workers commuting to work outside of Walworth County has likely increased since the 1990 Census from which this data is derived. New commuting data from the Census Bureau will not be available until late 2002.

Walworth exhibits a net commuting loss with respect to all commuters in and out the county on a daily basis meaning Walworth exports more out of the county than those coming in to work. The nonfarm wage and salary figures on page 4 show 41,000-plus jobs in the county and labor force numbers indicate almost 51,000 employed who live in Walworth so it is reasonable to see why the commuting dynamics are as such. The Cities of Whitewater, Elkhorn and Delavan are magnets for commuting inward to Walworth but are not as attractive as the Milwaukee area and northern Illinois, which are its two largest destinations for Walworth commuters. Rock and Jefferson Counties are two bordering counties that Walworth shows a positive net commute. The University of Wisconsin-Whitewater probably has a great deal to do with this as one of Walworth's largest employers so close to the borders of these surrounding counties.

Walworth County Employment Change by Industry 1994 to 1999



	1994	1995	1996	1997	1998	1999	Percent change 1 year	5 year
Total	36,965	37,874	38,705	38,586	39,711	41,256	3.9%	11.6%
Goods Producing	11,957	12,165	12,233	11,721	12,080	12,232	1.3%	2.3%
Construction & Mining	1,608	1,790	1,803	2,025	1,991	2,203	10.7%	37.1%
Manufacturing	10,349	10,375	10,430	9,696	10,089	10,029	-0.6%	-3.1%
Durable	6,748	6,666	6,797	6,196	6,603	6,637	0.5%	-1.7%
Nondurable	3,601	3,709	3,633	3,500	3,486	3,392	-2.7%	-5.8%
Service Producing	25,008	25,709	26,472	26,865	27,630	29,024	5.0%	16.1%
Transportation, Communications & Utilities	1,276	1,417	1,504	1,538	1,514	1,547	2.2%	21.2%
Total Trade	8,745	8,766	8,740	8,646	8,851	9,209	4.0%	5.3%
Wholesale	1,380	1,390	1,511	1,573	1,570	1,579	0.6%	14.5%
Retail	7,365	7,376	7,230	7,073	7,281	7,630	4.8%	3.6%
Finance, Insurance, and Real Estate	785	792	867	965	1,053	1,103	4.8%	40.5%
Services & Misc.	7,075	8,028	8,767	9,089	9,473	10,306	8.8%	45.7%
Total Government	7,127	6,706	6,594	6,627	6,740	6,858	1.8%	-3.8%

Source: WIDWD, Bureau of Workforce Information, Nonfarm Wage & Salary estimates.

The nonfarm wage and salary figures above outline the number of *jobs by industry* within Walworth County. These data exclude agricultural, military and self-employed.

Walworth County, like nearby Waukesha County, has been a model of job growth in Wisconsin. Despite being nestled in between metro areas which lure away its residents for work, Walworth has posted great gains in its service-producing sectors and has even posted huge increases in a goods-producing employment sector, namely construction. Manufacturing employment is still higher than average employment per industry but has declined in the late 1990s mirroring the rest of the state. Services sectors such as health care and hospitality services (hotels and other lodging places) and temporary help agencies have grown extraordinarily as the Lake Geneva area continues to be a vacation draw, and more contemporarily, has become permanent residence for life-long visitors. This migration has created the need for health care and recreation services, retail trade, transportation and other services that cater to a population either set in retirement or establishing residence within the county.

Walworth County's nonfarm jobs by industry breakdown looks like this for 1999: Services and Miscellaneous represented 25 percent of employment; manufacturing, 24.3 percent; wholesale and retail trade, 22.3 percent; government, 16.6 percent; construction, 5.3 percent; transportation, communication and public utilities (TCPU), 3.7 percent; and finance, insurance and real estate (FIRE), 2.7 percent.

Walworth County's Largest Industries and Employers

Top 10 Industry Groups

Industry Group	March 2000		Numerical Change	
	Employers	Employment	1 Year	5 Years
Eating And Drinking Places	193	3,622	141	-162
Educational Services	25	3,564	118	468
Health Services	95	1,988	83	873
Industrial Machinery And Equipment	32	1,947	188	672
Rubber And Misc. Plastics Products	27	1,927	92	-41
Hotels And Other Lodging Places	28	1,864	6	206
Executive, Legislative, And General	28	1,863	83	-391
Fabricated Metal Products	33	1,336	4	176
Food Stores	32	1,111	55	212
Wholesale Trade-Durable Goods	117	987	-30	164

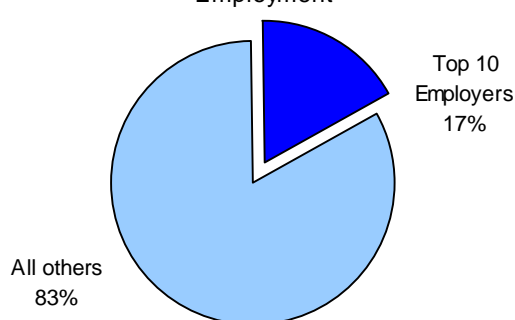
*data suppressed to maintain confidentiality

Top 10 Private and Public Sector Employers

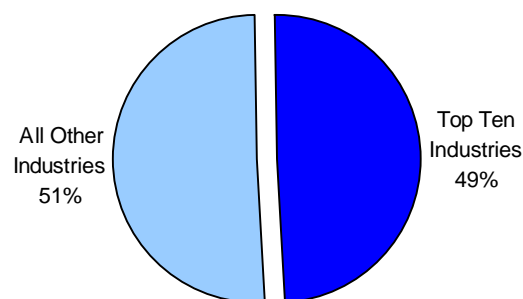
Company	Product or Service	Size
County Of Walworth	Government	1000+
University Of Wisconsin Whitewater	Colleges, Universities and Prof. Schools	1000+
Sta-Rite Industries Inc	Water Systems and Pumps	500-999
Pfister Corp	Hotels and Motels	500-999
Aurora Health Care Of Southern Lake	General Medical and Surgical Hospitals	500-999
Miniature Precision Components Inc	Automotive Industry Parts Supplier	250-499
Southern Wisconsin Foods LLC	Eating and Drinking Places	250-499
Abbey Management Corp	Hotels and Motels	250-499
United Dominion Industries Inc	Fluid Power Valves and Hose Fittings	250-499
Elkhorn Area School District	Elementary and Secondary Schools	250-499

Source: WI DWD, Bureau of Workforce Information Bureau, ES-202 file tape, 1st quarter 1999 and LMI benchmark 2000.

Top 10 Private and Public Sector
Employers Share of Nonfarm
Employment



Top 10 Industry Groups
Share of Nonfarm Employment



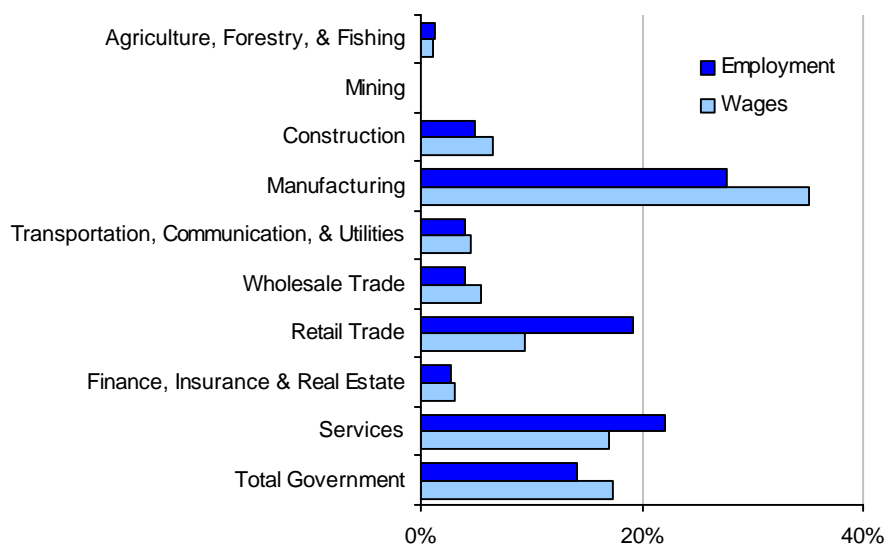
Four of the top ten largest industries in Walworth revolve around services with the remaining industries being sectors that manufacture goods or distribute those goods. It is typical of smaller Wisconsin counties to demonstrate particular industrial dominance as a percentage of total employment. But Walworth is fairly balanced looking at its public and private sector employment within its industrial mix, and like the rest of the state and country, is slowly shifting to an economy that is more based upon service producing sectors rather than goods-producing. Noteworthy is health care services adding 873 employees in the last five years. The demand for workers in this industry is projected to grow more rapidly in the near future.

The two largest employers in Walworth County are in the public sector. The University of Wisconsin-Whitewater is the significant reason that educational services employment is the second largest industry with respect to employment. Pfister Corporation and Abbey Management Corporation contribute to the large number of hotel and motel services employment. Manufacturing, despite its decreasing employment levels even during fantastic economic growth, still maintains a large base in Walworth composing 24 percent of those employed and two of the top ten employers.

Walworth County Employment and Wages 1999

	Annual Average Wage	State Average Wage	Percent of State Average	Percent change 1 year	Percent change 5 year	Number of Workers
All Industries	\$25,588	\$29,609	86.4%	2.6%	22.7%	38,959
Agriculture, Forestry, & Fishing	\$21,802	\$21,499	101.4%	11.6%	42.3%	493
Mining	*	\$39,968	*	*	*	*
Construction	\$34,335	\$36,772	93.4%	1.3%	18.5%	1,916
Manufacturing	\$32,497	\$37,773	86.0%	2.3%	28.5%	10,796
Transportation, Communications, & Utilities	\$29,330	\$34,523	85.0%	-2.0%	4.0%	1,557
Wholesale Trade	\$35,241	\$38,048	92.6%	1.7%	22.1%	1,557
Retail Trade	\$12,473	\$15,066	82.8%	2.4%	24.5%	7,500
Finance, Insurance, & Real estate	\$29,684	\$37,911	78.3%	5.1%	26.0%	1,051
Services	\$19,837	\$26,041	76.2%	2.6%	27.2%	8,590
Total Government	\$31,599	\$32,017	98.7%	1.4%	17.2%	5,490

Total Employment and Wage Distribution by Industry Division

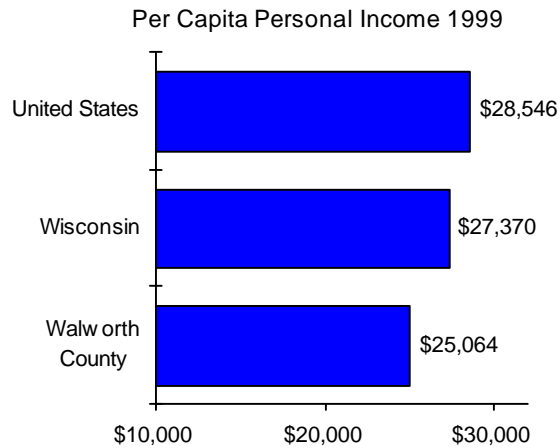


Source: WIDWD, Bureau of Workforce Information, *Employment, Wages and Taxes Due covered by Wisconsin's U.C. Law, Tables 209-211.*

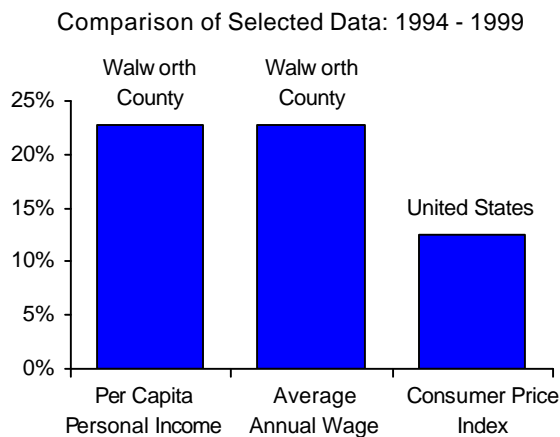
The table at the top of the page displays average wages by industry and their relationship to the state's industry wage. One will notice that Walworth County's average wage for all industries is considerably lower or 86.4 percent of the state's average wage. It also shows that most industries pay lower than the state average with the exception of agriculture, forestry and fishing, which comprise only 1.3 percent of those employed. This is not surprising since rural counties tend to lag behind metro counties in wages paid and the state's average industry wage data is heavily weighted towards metro county wage scales. Walworth County is in a very unique setting within the state. That is, Walworth is almost totally surrounded by metro counties including the greater Chicago area to its south.

Lower average wages should not be mistaken for lower wages paid to workers performing similar tasks. It is actually the result of the composition of the occupations within the employment base. The graph, above, displays the relationship between the percentage of industry employment in the county to the percentage of total annual wages paid by industry in Walworth County. Manufacturing employs the most (the above dataset differs from that on page 5 which has services as the top industry by employment) and pays more of the county's total wages than any other industry. Many factors such as unionization (Walworth is not a highly unionized-manufacturing county), overtime and higher entry-level pay make this a reality. Conversely, retail trade is highly representative in its share of total employment but its share of total wages is low due to a great deal of part-time employment and low entry-level wages. The occupational make up within an industry plays a large role in a county's industrial wage composition. Walworth's manufacturing industries are an example of this. Walworth's manufacturing sectors contain fewer executive and research/design employees who generally earn more than production workers. Whereas a county like Racine contains large company headquarters that do carry a great deal of executive and upper management and other high earners among their ranks.

Walworth County Wage and Income Data



Per capita personal income (PCPI) includes income from wages and self-employment, assets (dividends, interest, rental payments), and transfer payments (social security, unemployment insurance, welfare) divided by total population. PCPI is an interaction between income and population so there may be a great deal of overall revision and volatility in estimates as both components are re-estimated on a frequent basis. Walworth County's 1999 PCPI, \$25,064, ranked 23rd highest of the state's 72 counties; up from 25th highest in 1998. Walworth's PCPI grew 4.4 percent which is the same rate as the state as a whole. A five year rate of growth shows Walworth slower than the state's PCPI increase.



Since 1994, the county's PCPI grew 22.8 percent while its average wages paid in Walworth rose about the same at 22.7 percent. Though this difference is miniscule, it accounts for the fact that wages earned have become less a component of PCPI and other forms of income have become a greater part of the total. An example of this is the fact that the three personal income main components: wages, dividends and interest, and government payment typically make up a similar share of total PCPI each year and that still holds true. What is seen now that wages earned have dropped slightly as part of the total while the dividends and interest earned have become more of the total. Transfer payments have become less of a share of the total as well.

	Per Capita Personal Income						Percent Change	
	1994	1995	1996	1997	1998	1999	1 year	5 year
United States	\$22,581	\$23,562	\$24,651	\$25,874	\$27,321	\$28,546	4.5%	26.4%
Wisconsin	\$21,699	\$22,573	\$23,554	\$24,791	\$26,227	\$27,370	4.4%	26.1%
Walworth County	\$20,418	\$21,269	\$21,923	\$22,818	\$24,002	\$25,064	4.4%	22.8%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Selected Occupational Wage Data		
	Mean	Median
Accountants & Auditors	\$ 21.29	\$ 18.91
Computer Programmers	\$ 24.08	\$ 22.35
Computer Systems Analysts	\$ 25.47	\$ 24.80
General & Operations Managers	\$ 34.99	\$ 31.30
Janitors & Cleaners	\$ 8.50	\$ 7.88
Machinists	\$ 14.88	\$ 14.44
Nursing Aides/Orderlies/Attendant	\$ 9.12	\$ 9.12
Receptionists and Info. Clerks	\$ 9.61	\$ 9.52
Registered Nurses	\$ 21.09	\$ 20.26
Secretaries, ex. legal & medical	\$ 12.16	\$ 11.95
Team Assemblers	\$ 10.96	\$ 10.11
Tool & Die Makers	\$ 20.15	\$ 19.75
Truck Drivers, heavy/tractor trailer	\$ 17.38	\$ 17.47
Truck Drivers-light or delivery	\$ 10.51	\$ 9.89
Welders & Cutters	\$ 10.20	\$ 9.79

Source: DWD, BWI, 1999 OES wage survey, Milwaukee-Waukesha MSA

The wages for the selected occupations in this table were reported by employers in the Milwaukee-Waukesha metropolitan statistical area (MSA) who responded to the Occupational Employment Statistics (OES) survey. Employers from all Wisconsin counties participated in the survey but published data was limited to MSA's. Milwaukee-Waukesha MSA data is seen as the most relevant data for Walworth County's purposes in this profile

Wage structures are important information to employers, job seekers and the employed as career decisions and labor retention issues are contemplated. The mean or average wage is the sum of the occupation's wages divided by the sum of all those in the occupation. The median wage is the midpoint of all wages; there are exactly the same number of wage earners above and below this wage. If the median is significantly below the mean, an employer offering mean wages, theoretically, should capture most of the market. And along these lines, workers in this occupation will find it difficult to gain employment at this mean wage due to high competition for this placement.